

Minutes
Board of Supervisors
Regular Meeting
September 21, 2021

Members Present: Morgan Phenix, Chairman At-Large
D. Keith Guzy, Jr. District 1
Allen Louderback, District 2
Mark Stroupe, District 3

Absent: Larry Foltz, District 4
Jeff Vaughan, District 5

Staff Present: Amity Moler, County Administrator
Regina Miller, Assistant County Administrator
Tyler Olsen, Budget Officer
Tracy Clatterbuck, Zoning Administrator
Michael Helm, County Attorney

Call to Order:

Chairman Morgan Phenix called to order the regular meeting of the Page County Board of Supervisors on September 21, 2021, in the Board of Supervisors Room located in the Page County Government Center, 103 South Court Street, Luray, Virginia, at 7:00 p.m. The meeting was live streamed via YouTube. The Call to Order was followed by a moment of silence and the *Pledge of Allegiance*.

Adoption of the Agenda:

Motion: Supervisor Stroupe moved that the Board adopt the agenda. Supervisor Louderback seconded and the motion carried by a vote of 4-0. Aye: Phenix, Guzy, Louderback, Stroupe. Nay: None. Absent: Foltz, Vaughan.

Public Hearings:

Budget Amendments:

The Budget Amendments public hearing was advertised as follows:

NOTICE OF PUBLIC HEARING
BUDGET AMENDMENT
PAGE COUNTY BOARD OF SUPERVISORS

On September 21, 2021 at 7:00 p.m., the Page County Board of Supervisors will conduct a public hearing at the Page County Administration building, 103 South Court St., Luray, VA 22835, for the purpose of considering an amendment to the fiscal year 2022 budget.

The aggregate amount of the amendments exceeds one percent of the fiscal year 2022 budget and the public hearing is required by Section 15.2-2507 of the Code of Virginia.

REVENUE:	Federal Funds	\$	6,776
	State Funds		230,672
	Local Funds		1,000
	Loan Proceeds		429,067
	Fund Balance		303,405

EXPENDITURE:	Capital Improvements	\$	429,067
	General Fund		541,853

Chairman Phenix opened the public hearing on the Budget Amendment at 7:04 p.m.

Tyler Olsen, Budget Officer, reviewed the staff report and said the County will receive proceeds from a lease purchase agreement with Pioneer Bank in the amount of \$429,067. The Page County Sheriff's Office has received \$1,000 from the Walmart Foundation. The Sheriff has received a pay increase from the State Compensation Board for completing the Lawful Employment Practice program. The Sheriff's salary will increase by \$8,402. Associated FICA taxes and fringe benefits will increase by \$845. This total increase of \$9,247 will be entirely funded by the State Compensation Board. The County will receive \$206,918 from the State's DHCD Grants for the Small Business Relief Assistance and Food Hub and Mask Production Projects that began in FY 2021. The County will also receive \$14,507 from the State's DuPont Grant. This money will be used to complete the revitalization of the Alma Bridge area. The Page County Animal Shelter requests that \$10,000 of the County's Fund Balance be appropriated for spaying and neutering. This money will come from unspent local donations. The Sheriff's Office requests that \$9,002 of the County's Fund Balance be appropriated for summer youth camps at the 4-H Center. This money will come from unspent local donations. It is requested that \$284,403 of the County's Fund Balance be appropriated for the County's hotspot project. This amount was received from the Coronavirus Relief Fund in FY 2021 and was unspent as of the end of the fiscal year. Page County Fire and EMS has received \$6,776 from the federal government's Health Resources and Services Administration for the treatment and transport of uninsured individuals with a primary diagnosis of COVID-19. It is requested that these funds be appropriated for station expenses. He recommended appropriation of all funding requests.

Supplemental Appropriations Requests:

Department	Description	Revenue Source	Expenditure	Amount
Capital Projects	Compactor Loan	Other Financing 301-0000-318-99-85	Landfill Equipment 301-9420-541-80-23	\$429,067
Sheriff's Office	Walmart K-9 Grant	Walmart K-9 Grant 101-0000-318-02-35	K-9 Expenses 101-3120-431-59-47	1,000

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Sheriff's Office	Comp Board Pay Increase	Comp Board Various Codes	Salaries and Benefits Various Codes	9,247
Econ. Dev. & Tourism	Small Business Relief Assistance Food Hub and Mask Production	DHCD Grants 101-0000-324-04-36	SBRA and FHMPP 101-8150-481-59-10	206,918
Econ. Dev. & Tourism	Alma Bridge Revitalization	DuPont Grant 101-0000-324-04-13	Alma Bridge 101-8150-481-59-44	14,507
Animal Shelter	Donation Carryover	Fund Balance Carryover 101-0000-341-04-07	Spay and neuter 101-3510-435-31-11	10,000
Sheriff's Office	Summer Youth Camp Carryover	Fund Balance Carryover 101-0000-341-04-07	Summer Youth Camp 101-3130-431-58-07	9,002
IT	CARES Carryover	Fund Balance Carryover 101-0000-341-04-07	CARES Act Funding 101-1251-412-59-99	284,403
Fire and EMS	HRSA COVID-19 Reimbursement	HRSA 101-0000-333-01-07	Station Expenses 101-3230-432-58-77	6,776
Total Requests				\$970,920

The appropriation requests are funded by the General Fund Balance dollars in the amount of \$303,405, local funds in the amount of \$1,000, State funds in the amount of 230,672, Federal Funds in the amount of \$6,776, and loan proceeds in the amount of \$429,067. These requests will increase the County's General Fund budget by \$541,853 and Capital Projects budget by \$429,067

Public Comments on Budget Amendment:

There were no speakers on the Budget Amendment public hearing. Chairman Phenix closed the public hearing at 7:06 p.m.

Motion: Supervisor Stroupe moved to approve the appropriation of the requested funds in the amount of \$970,920 as outlined above. Supervisor Louderback seconded and the motion carried by a vote of 4-0. Aye: Guzy, Louderback, Stroupe, Phenix. Nay: None. Absent: Foltz, Vaughan.

Presentations, Proclamations and Awards:

Solar Siting Agreement:

Chip Dicks, Attorney for Urban Grid, said he was present to explain the Cape Solar Siting Agreement Proposal, to answer questions the Board may have, and to explain to the general public how this process works. He reviewed the Code of Virginia Sections 15.2-2288.8 and 15.2-2316.6 through 15.2-2316.9 relating to siting agreements for solar projects. This legislation, he said, took effect July 1, 2020, but was amended in 2021, which went into effect on July 1, 2021. He pointed out that the special use permit application for Cape Solar was filed with the County on December 11, 2020 and the application is currently pending. He said the siting agreement is paired with the land use agreement to go through the process collectively at the same time. He noted that the special use permit can include whatever conditions the Board feels are appropriate to

specifically address issues with respect to that property. The fact that the County does not have a separate solar ordinance does not leave the Board without control to impose conditions on this particular project.

With reference to Section 2.2-2316.8.B, Mr. Louderback said according to this Section if the local governing body would sign a siting agreement, it by-passes the Planning Commission as far as the public hearing. He asked if this was correct. Mr. Dicks replied that is not correct. The governing body does not have to use the Planning Commission if the Board does not choose to do so, but a normal land use for the special use permit process would go through the Planning Commission. With the siting agreement, if everyone was to agree on the financial terms, then the siting agreement would be considered at the same public hearing, with the Board, as the special use permit. The special use permit would be voted on first and if it were denied then they would not move to the siting agreement because it would be mute. The special use permit becomes an exhibit to the siting agreement. After a question was raised by Supervisor Louderback on who wrote the ordinance, Mr. Dicks affirmed that he wrote most of it. Supervisor Louderback said now he is representing one of the companies who wants to put solar on property in the County. Mr. Dicks replied that the legislation was supported by the entire Virginia Association of Counties who had negotiated with four or five local government attorneys and the legislation passed unanimously. The idea is to empower localities not to take away power. The siting agreement allows localities to monetize and do capital improvements or other things, either subject by annual appropriation or a revenue anticipation bond structure.

Supervisor Louderback expressed concern that the siting agreement is putting the cart before the horse and getting ahead of the special use permit process. Mr. Dicks said the money the county would normally get from a cash proffer is stuck in a myriad of presumptions. The siting agreement was meant to eliminate the presumptions of cash proffers and the limitation and use of that cash generated to something reasonably related to the project. This means the money would be unrestricted and create an economic value proposition.

Chairman Phenix said there is a sense that this would entice the locality, but the fact that the legislature approved this legislation unanimously is a reflection of something else. He then asked how the legislation came forward and why. Mr. Dicks explained that it came forward because they wanted to implement a value proposition for rural counties. If the normal land use process was used, with restricted funds, it would make it difficult because solar projects do not generate certain things such as road projects or school children. So, it was taken out of the proffer context where they could ask the capital needs of the locality and have a discussion, which is prohibited with proffers. With regard to solar, the restrictions for those discussion were removed. In addition, the siting agreement will allow the locality to assess the equipment for the machinery and tools tax every year. He then

explained the machinery and tools tax stepdown as 80% the first five years, 70% the second five years, and 60% for the balance of the project.

Mr. Dicks then reviewed the Solar Facility Siting Agreement for Sussex County as an example of such an agreement. He said a similar document would be proposed to the County for consideration. He noted that the special use conditions would be incorporated into this agreement. He said he would like to bring forward a siting agreement and have an open discussion with the Board.

Mr. Dicks continued and outlined the Cape Solar project overview. The project is an interconnect agreement for 100 MW that can be developed somewhere between 67.5 MW and 100 MW. The revenue share is \$1,400 per megawatt installed, which would be \$6.6 million over the life of the project. It would be \$5.3 million for the machinery and tools tax on solar equipment and the switching station would be \$1.2 million over the life of the project, which would be paid regardless of whether the County did revenue share or machinery and tools tax. The real property tax would be \$1.2 million. The proposal Urban Grid would make on behalf of the Cape Solar project is voluntary payments in the amount of \$250,000 to support the needs of local non-profits and \$1 million allocated in the first five years of operation. The land use rollback would generate a one-time payment of \$100,000 in the first year of operation. He noted that under the siting agreement legislation they are required to notice the County, required to make a general presentation, and required to submit a formal offer to the County on a siting agreement. He requested to come back to the Board at their October work session and make a presentation with a siting agreement drafted for this project and a schedule of what the payments would be. He also requested that the Board consider selecting a negotiating committee consisting of the Chairman, County Administrator and County Attorney. He noted that their land use application has been pending since December 2020 and he asked the Board request the Planning Commission to set a public hearing on the land use case so it can come to the Board.

Supervisor Guzy expressed concern because this appears it is a legal way for a bribe or payoff. He said he does not want this done behind closed doors. The County has an application and the Board needs to be transparent with the citizens. He said he would not agree to have one person negotiating on behalf of the entire Board.

Supervisor Louderback voiced concern about the presentation of the siting agreement by someone pushing for the same project that was denied two years ago. All the payments sound great if they were upfront payments, but when projected over the life of 40 years it equates to \$140,000 a year. He said an analysis has never been done on what the impact will be to the residential areas around the project or to tourism in our economy. This is something the Board needs time to think about it's not going to take place on Urban Grids timeframe but on the County's and what's right for our citizens.

Chairman Phenix indicated that the Board has a draft solar ordinance that they need to act on.

It was consensus of the Board to wait until all the Board members are present to further discuss and to discuss options with legal counsel and how to move forward.

Public Comments on Agenda Items:

Kris Garrett commented regarding solar and thanked the Board for not voting on this tonight. It appears as if Urban Grid is afraid of the citizens in Page County. I now think it's time to go back to the Ordinance that was paid for by the taxpayers that the Board did not adopt.

Barbara Halpern spoke about the proposed changes to the Social Services Board. At the last meeting it was discussed to change them from an administrative board to an advisory board. She asked why the change is being proposed and asked that the Social Services Board have time to react.

Patricia Long commented regarding solar and said no money can buy the beauty of our county. She said Urban Grid's offer is very generous, but they can take it somewhere else.

Linda Hoak commented regarding solar and said she feels there is a lot we don't know. She feels this really needs to be looked at.

Paul Schringold spoke about solar and said this is a quality-of-life issue that you cannot qualify with money. If the Board is thinking about a counter offer, maybe an inflation clause should be included. He asked the Board to think about this.

Brenda Mills commented that Page County does not need solar.

Charles Newton asked the Board to consider the good ordinance from the Planning Commission. He said it will protect Page County better than a siting agreement.

Cathy Grech commented regarding solar and said the big question is what is our quality of life is worth. She also expressed concern over procedural matters during the meeting. She had sent a FOIA request for any documents pertaining to the siting agreement and was told there were none.

Clyde Humphrey expressed that he supports solar in Page County; however, it needs to be properly done. The laws need to be understood, but not from the developer. He asked the Board to look at this carefully.

Kenny Jemielity remarked that Mr. Dicks said the laws were written only for solar development, by lawyers who work for solar development. This legislation gives the developer the means to by-pass the Planning Commission. What he didn't mention is that the siting agreement must coincide with the county's Comprehensive Plan. He noted that it is pretty transparent that the citizens do not want industrial solar in Page County.

Beth Snyder expressed confusion as to why the county accepted the horrible special use permit when there is supposed to be a moratorium. The County needs legal advice on this. The Board needs to think about what you're doing to the County.

Chris Anderson thanked the Board for asking some hard questions concerning the siting agreement. There are a lot of outstanding questions that need answered still concerning the Dogwood project that was approved.

Rod Graves stated that tourism and agriculture have always gotten Page County through the tough times. He asked the Board why they would even consider solar given what is generated annually in tourism. He said solar will not benefit the County at all.

Isabel Graves said the County's beauty is our industry. She said she did not like the presentation from Mr. Dicks tonight because it felt like a bribe or threat. She asked the Board do the right thing for our County.

Benny Cubbage asked the Board what they want the County to look like in the future. Years ago, iron works was the big thing, even though they have a historical value we have them abandoned all over the state, just like the coal mines. What will solar panels become in the years to come? Farmers cannot find open land now with enough farming acres. What will happen with the run off from these panels and how will that affect livestock or agriculture. Farming works well with our tourism community. He asked the Board to think about our future.

Action Matters:

Special Entertainment Permit – Fall Festival (Town of Stanley):

English Henry, Economic Development & Tourism Specialist, reviewed that the Town of Stanley has requested a special entertainment permit to conduct a Fall Festival on October 2, 2021, from 12:00 p.m. to 6:00 p.m. The event will be held at 205 Pool Drive, Stanley, VA. The festival will include a combination of fall themed activities, crafts and more. The event will be held primarily outdoors with proper set up from vendors and activity staff/volunteers. Concessions will be available.

There is no fiscal impact to the County anticipated with this event. Staff recommendation is to approve this special entertainment application as there are no outstanding issues.

Motion: Supervisor Stroupe moved that the Board of Supervisors approve the Special Entertainment Permit application for the following: Town of Stanley Event, Fall Festival, October 2, 2021. Supervisor Guzy seconded and the motion carried by a vote of 4-0. Aye: Louderback, Stroupe, Phenix, Guzy. Nay: None. Absent: Foltz, Vaughan.

Tourism Council Appointment:

English Henry, Economic Development & Tourism Specialist, explained that the Tourism Council has requested Helen Morton of Delaware North be appointed to the Council as the Industrial representative for a two year term.

Motion: Supervisor Stroupe moved to appoint Helen Morton to the Tourism Council as the Industrial Chair for the current term. Supervisor Louderback seconded and the motion carried by a vote of 4-0. Stroupe, Phenix, Guzy, Louderback. Nay: None. Absent: Foltz, Vaughan.

Resolution – Landfill Compactor Lease Purchase:

EXHIBIT A

Tyler Olsen, Budget Officer, said this Resolution needs to be adopted for the landfill compactor lease. Mr. Olsen reviewed the Resolution and said the lease financing is not to exceed \$429,066.84, shall mature no later than November 1, 2026, and is tax-exempt bank-qualified at a rate of 1.22%.

Motion: Supervisor Louderback moved that the Page County Board of Supervisors adopt the Resolution authorizing a lease purchase agreement. Supervisor Stroupe seconded and the motion carried by a vote of 4-0. Aye: Phenix, Guzy, Louderback, Stroupe, Nay: None. Absent: Foltz, Vaughan.

Social Services Board Structure:

Mrs. Moler said the Board has held several discussions on to Social Services Board structure. The Virginia Code Section 63.2-302 says the Board can create the Department of Social Services Board, which should be an advisory board and appoint the County Administrator as the Administrator of the advisory board, which is what she recommended. She has spoken with other counties and they have had an advisory board for many years.

Motion: Supervisor Stroupe moved that pursuant to Virginia Code Section 63.2-302, the Board appoints Amity Moler, County Administrator, as the administrative oversight of the Page County Department of Social Services (DSS) transiting the current DSS Board to an advisory role and to hold a public hearing on October 19, 2021, to amend the County Code to include the Social Services Board. Supervisor Guzy seconded and the motion carried by a vote of 4-0. Aye: Guzy, Louderback, Stroupe, Phenix. Nay: None. Absent: Foltz, Vaughan.

Boards and Commission Appointments:

Planning Commission:

Regina Miller, Assistant County Administrator, reviewed that Gary Huffman has resigned from the Planning Commission as the District 4 representative. Supervisor Foltz has indicated he would like to appoint Isaac Smelser to fill the unexpired term through January 11, 2023.

Motion: Supervisor Stroupe moved to appoint Isaac Smelser, District 4, to the Planning Commission for an unexpired term through January 11, 2023. Supervisor Louderback seconded and the motion carried by a vote of 4-0. Aye: Louderback, Stroupe, Phenix, Guzy. Nay: None. Absent: Foltz, Vaughan.

Consent Agenda:

Motion: Supervisor Guzy moved to approve the Consent Agenda as follows:

- Financial reports for the periods of August 1-31, 2021;
- Accounts payable checks, payroll checks, payroll direct deposits, and payroll tax related electronic fund transfers totaling \$1,875,128.97 for the month of August 2021;
- Minutes of August 3, 2021 and August 17, 2021.

Supervisor Stroupe seconded and the motion carried by a vote of 4-0. Aye: Stroupe, Phenix, Guzy, Louderback. Nay: None. Absent: Foltz, Vaughan.

Old Business:

Supervisor Stroupe reminded staff that he had requested a proclamation for the heroism Fire Company 24 (Stanley Volunteer Fire Department) showed during a house fire by running into the house to save the resident who was asleep.

New Business:

Review of Special Use Permit – Shawn Fittry:

Tracy Clatterbuck, Zoning Administrator, said that Shawn Fittry has filed an application for a special use permit for a commercial parking facility located at 8164 US Hwy 340, Shenandoah, VA. The parcel is identified by tax map number 87A-80D, contains 13.843 acres, and is currently split zoned Agriculture (A-I) and Commercial (C-1). The property is improved with an existing 50x100 barn and a 48x50 building. The applicant is proposing to use the current five acres at the frontage of the property as a fenced RV storage lot. The Virginia Department of Transportation (VDOT) has indicated that "The proposed use is not expected to have an adverse effect on the VDOT right of way." The Health Department has said that "This Health Department has no objections to the construction of the proposed RV storage lot." In addition, the Building Official has no objections to the permit.

The Page County Planning Commission held their public hearing on September 14, 2021 and recommended approval by a vote of (5-1) to the Board of Supervisors.

The applicant will be required to maintain a Page County business license, which will result in additional tax revenue for Page County.

Motion: Supervisor Stroupe moved that the Page County Board of Supervisors hold a public hearing on this special use permit application at the October 19, 2021, regular meeting and direct staff to provide adequate notice of such hearing, in accordance with the Code of Virginia Section 15.2-2204. Supervisor Guzy seconded and the motion carried by a vote of 4-0. Aye: Phenix, Guzy, Louderback, Stroupe. Nay: None. Absent: Foltz, Vaughan.

Open Public Comments:

Paul Otto said rules for solar have changed due to this legislation. However, it does not change how the citizens feel. He said the County needs a good ordinance put in place to protect our county.

Cathy Grech asked the Board to give the siting agreement careful consideration.

Beth Snider said she knows the County has an RFP out for a County Attorney and she hopes someone will be chosen whose best interest is for the County.

Administrator's Report:

Mrs. Moler said that the next Town/County meeting is scheduled at the Stanley Fire Hall for October 7, 2021, at 3:00 p.m. Supervisors Stroupe and Louderback agreed to attend to represent the Board. She informed the Board that she will be attending the VACO Annual Conference from November 13-16, 2021 and since the last day of the conference conflicts with the regular Board meeting the meeting may need to be rescheduled to the next day on November 17, 2021. The Board was in consensus to move the meeting to November 17, 2021, if needed.

Supervisor Time:

Chairman Phenix commented that the meeting was very informative.

Supervisor Louderback said the Board needs to slow down with regard to solar and any siting agreement. The Board needs to consider the financial aspect as well as the citizen's input. He was glad to see all of the citizens participating and voicing opinions and said this helps the Board with their decisions.

Supervisor Stroupe thanked everyone who attended the Mt. Carmel Christian Academy Car Show.

Supervisor Guzy said the County lost a great man this week, Pastor Frank Painter who was also his father-in-law. He thanked the citizens for attending the meeting and voicing their concerns.

Closed Session:

Motion: Supervisor Guzy moved that the Page County Board of Supervisors convene in closed session under the Virginia Freedom of Information Act to discuss and consider personnel matters relating to the appointment of a county attorney, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia and to discuss the award of a public contract involving the expenditure of public funds as it relates to a county attorney, pursuant to Section 2.2-3711(A)(29). Supervisor Stroupe seconded and the motion carried by a vote of 4-0. Aye: Guzy, Louderback, Stroupe, Phenix. Nay: None. Absent: Foltz, Vaughan.

Exit Closed Session:

Motion: Supervisor Guzy moved the closed meeting be adjourned and the Page County Board of Supervisors reconvene in open session. Supervisor Louderback seconded and the motion carried by a vote of 4-0. Aye: Louderback, Stroupe, Phenix, Guzy. Nay: None. Absent: Foltz, Vaughan.

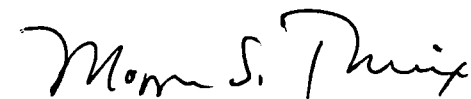
Certification of Closed Meeting:

To the best of my knowledge (i) only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711 (A) of the Code of Virginia, 1950, as amended, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting.

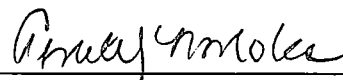
<u>Recorded Roll Call Vote:</u>	<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
D. Keith Guzy, Jr.	X			
Allen Louderback	X			
Mark Stroupe	X			
Larry Foltz			X	
Jeff Vaughan			X	
Morgan Phenix	X			

Adjourn: 9:56 p.m.

With no further business to discuss, Chairman Phenix adjourned the meeting.



Morgan Phenix, Chairman



Amity Moler, County Administrator

#2021-10

RESOLUTION

AUTHORIZING A LEASE PURCHASE AGREEMENT, SERIES 2021

WHEREAS, the County of Page, Virginia (the "County") proposes to enter into a tax-exempt, "bank-qualified" lease purchase financing in order to pay a portion of the costs to acquire certain landfill equipment, including a 2021 Al-Jon Series 500 Landfill Compactor (the "Project"), as further described in this Resolution; and

WHEREAS, Pioneer Bank ("Pioneer") has offered to assist the County with the tax-exempt, "bank-qualified" lease purchase financing of the Project and to enter into a Lease Purchase Agreement and documents in connection therewith (collectively, the "Lease"), between Pioneer, as Lessor thereunder, and the County, as Lessee thereunder, together with related documents; and

WHEREAS, pursuant to the terms of the Lease, Pioneer will pay a portion of the costs of the Project and Pioneer, as Lessor, will lease the Project to the County, as Lessee of the Project; and

WHEREAS, the County reasonably expects the Project to continue to be essential to the functions of the County for a period that is not less than the term of the Lease; and

WHEREAS, the necessary steps under the Virginia Public Procurement Act, Chapter 43, Title 2.2 of the Code of Virginia, 1950, as amended, have been (or will be) taken in connection with the acquisition of the equipment that is the subject of the Project; and

WHEREAS, all amounts payable under the Lease are subject to sufficient appropriations from the Board of Supervisors of the County (the "Board"), upon due request of the County Administrator or other officer of the County charged with the responsibility of preparing the County's budget for each fiscal year, and the County is under no obligation to make any appropriation with respect to the Lease; and

WHEREAS, the Lease shall not constitute a general obligation or a pledge of the full faith and credit of the County, or a charge against the general credit or taxing power of the County, and any amounts payable under the Lease shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation, but shall constitute a current expense subject to annual appropriations of the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PAGE COUNTY, VIRGINIA:

1. **Essential Governmental Purpose of Project.** The Board hereby finds and determines that the Project and the terms and conditions and proceeds of the Lease, including the payment of rental payments to Pioneer, as Lessor, are in the best interests of the County for the acquisition and equipping of the Project and are in furtherance of the County's essential governmental purposes.

2. **Approval of Lease; Designation of Lease and Details.** The substantially final terms and provisions of the Lease as described at this meeting and as set forth in Pioneer's lease purchase financing proposal attached hereto, as may be amended from time to time, are hereby accepted and approved, including the payment of all or any portion of the issuance costs and other costs relating to the Lease, filing fees (if any), escrow fees, and any other amounts required under the Lease, either from original proceeds of the Lease, investment earnings on the proceeds, or from County funds, all in the discretion of the County Administrator; provided however, that the lease financing (a) shall be in a principal amount not to exceed \$429,066.84; (b) shall mature no later than November 1, 2026; and (c) shall bear a rental interest component on the outstanding principal rental balance at a tax-exempt, "bank-qualified" rate of 1.22% (in the absence of default or change in tax status).

The County hereby acknowledges and affirms that the interest component of the rental to be paid to Lessor may be subject to upward adjustment during the term of the Lease in the event the federal corporate income tax rate is reduced or the benefit of the interest income exclusion capped to account for the reduced value of the exclusion by Lessor of the interest component of rental paid by the County.

The Lease shall be dated the date of issuance and delivery of the Lease, and shall be fully registered. The County Budget Officer is hereby appointed as Registrar of the Lease, as required under Section 149 of the Internal Revenue Code of 1986, as amended (the "Tax Code").

3. **Execution, Delivery and Performance of Lease, Other Documents.** The execution, delivery, and performance of the Lease and other legal documentation required by Pioneer or legal counsel (collectively, the "Lease Documents") are hereby authorized. The Chair and Vice Chair of the Board, the County Administrator, and the County Budget Officer, any one or more of whom may act (collectively, the "County Representative"), are each hereby appointed as Authorized Representatives under the Lease, and, further, are each authorized and directed to execute, acknowledge, and deliver the Lease Documents and other documentation as may be advised by legal counsel, together with any changes, insertions, and omissions therein as may be approved by any one or more of such individuals who shall execute the Lease Documents, and such approval shall be conclusively evidenced by such execution and delivery of the Lease Documents.

The Clerk or any Deputy Clerk of the Board is authorized to affix, or to cause to be affixed, the County seal to the Lease Documents, if required, and to attest such seal. Each officer or agent of the County is further authorized and directed to do and perform such things and acts as they shall deem necessary or appropriate to carry out the transactions authorized in this Resolution or contemplated by the Lease, including, but not limited to such instruments and performance of acts as may be required in order for the Lease to qualify as a tax-exempt, "bank-qualified" lease

purchase financing arrangement pursuant to the provisions of the Tax Code and related Treasury Regulations and the laws of the Commonwealth of Virginia. All of the foregoing acts previously performed by such officers or agents of the County are in all respects approved, ratified, and confirmed.

4. **Tax Compliance Matters.** The County shall comply with the provisions of the Tax Code including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds" within the meaning of the Tax Code. The County further covenants that (a) the proceeds from the issuance and delivery of the Lease (including any investment earnings thereon, if any), all as described under the Tax Code, will be expended as set forth in the Lease Documents, (b) the County shall comply with the covenants and representations contained in the Lease, and further, the provisions of the Post-Issuance Tax Compliance Procedures previously adopted by the Board, and (c) the County shall comply with the provisions of the Tax Code so that the interest component of the rental being paid by the County to Lessor will remain excludible from gross income for Federal income tax purposes.

To the extent that the principal amount of the Lease, together with any proceeds thereof (including but not limited to investment earnings, if any), shall exceed the actual cost of the Project, it is to be understood that the County hereby authorizes that any such additional amounts available under the Lease shall be expended by the County for capital projects for essential governmental purposes, or as otherwise may be required or allowed under the Tax Code, including the payment of a portion of the outstanding principal amount of the Lease.

5. **"Bank-Qualified" Designation Matters.** At the request of Pioneer, the County hereby designates the Lease as a tax-exempt, "bank-qualified" obligation pursuant to the terms and provision of Section 265(b)(3) of the Tax Code eligible for the exception from the disallowance of the deduction of interest by financial institutions allocable to the cost of carrying tax-exempt obligations. In such regard, it is to be understood that the principal amount of the Lease will be taken into account in determining the status of the County as a qualified small issuer for the calendar year 2021 pursuant to Section 265(b)(3) of the Tax Code. The County does not reasonably anticipate having more than \$10,000,000 in qualified tax-exempt obligations during calendar year 2021 issued by the County, including any "subordinate entities" of the County or "on behalf of" entities of the County (within the meaning of the Tax Code), and will not designate more than an aggregate \$10,000,000 of such qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Tax Code.

6. **Reimbursement Matters.** The County hereby declares its intent to reimburse certain expenditures in connection with the Project (the "Expenditures") with all or any portion of the proceeds of the Lease for certain Expenditures made no earlier than sixty (60) days prior to the adoption of this Resolution. The County reasonably expects that it will reimburse the Expenditures with the proceeds of the Lease, and will make (or will cause to be made) a reimbursement allocation, which is a written allocation that evidences the use of proceeds thereof to reimburse the Expenditures, no later than eighteen (18) months after the later of the date on which the Expenditure(s) is/are paid or the Project is placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure(s) is/are paid. This declaration of intent to reimburse, as required by Treasury Regulations Section 1.150.2, shall take effect immediately.

7. **Financial Statements; Record-Keeping Duties.** During the term of the Lease, the County shall provide updated financial statements to Lessor in order for Lessor to be in receipt of audited financial information as well as copies of such other financial information relating to the Lease and transactions contemplated thereunder, all as may be reasonably requested by Lessor.


The County further agrees to maintain and/or retain the records and documents in connection with the Lease, including documentation to evidence the use and investment of proceeds thereof, in a manner that shall ensure their complete access to the Internal Revenue Service, until the third anniversary of the later of the final maturity of the Lease or any other applicable provision of the Tax Code or any Treasury Regulations thereunder.

8. **Nature of Obligation.** It is to be understood that the Lease represents a rental arrangement between the County and Pioneer. Nothing in this Resolution or the Lease shall constitute a debt of the County, and the Board shall not be obligated to make any payments under this Resolution or the Lease except from funds appropriated therefor, from time to time.

9. **Effective Date.** This Resolution shall be effective upon its adoption.

DATED: September 21, 2021

**BOARD OF SUPERVISORS OF
PAGE COUNTY, VIRGINIA**

By: 
Chair

Attachment: Pioneer Bank Term Sheet, as amended


CERTIFICATE OF VOTES

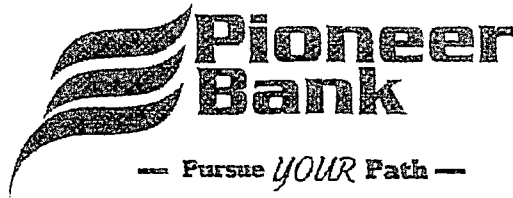
The undersigned hereby certifies that the foregoing constitutes a true and correct copy of the foregoing Resolution duly adopted by the Board of Supervisors of Page County, Virginia, upon a roll-call vote at a regular meeting duly held and called on the date hereof, and that the recorded roll-call vote of the Board of Supervisors is as follows:

<u>NAME</u>	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Morgan S. Phenix, Chair At-Large	✓			
D. Keith Guzy, Jr. (District 1)	✓			
Allen Louderback (District 2)	✓			
Mark A. Stroupe (District 3)	✓			
Larry W. Foltz (District 4)				✓
Jeffery P. Vaughan (District 5)				✓

Dated: September 21, 2021

[SEAL]


Clerk/ Deputy Clerk of the Board of Supervisors of
Page County, Virginia



Summary Term Sheet
County of Page
August 11, 2021

This term sheet is submitted by Pioneer Bank (the Bank) in response to the Request for Proposals for Financing Services issued by the County of Page. The terms contained in this term sheet have received final approval by the Bank, and the Bank is ready and able to provide the funding to the Town on the terms herein contained, if the Bank is selected as the winning proposer.

BORROWER: County of Page

PURPOSE: Loan proceeds shall assist the Borrower with the purchase of a 2021 Al-Jon Series 500 Landfill Compactor.

LOAN AMOUNT: The proposed loan amount shall not exceed \$429,066.84.

LOAN TERM: The Bank will offer a fixed rate of 1.22% for a 5-year term. The interest rate is calculated on a simple interest basis and is not compounded. A 365/360 basis (1/360 per day) interest day count method will be utilized.

INTEREST RATE: A fixed rate of 1.22% shall be offered during the 5-year term of the loan. This rate is for a Bank Qualified – Tax Exempt Obligation.

BANK CLOSING COSTS: \$20.00 for cost of recording UCC-1 with State Corporation Commission to register the lien on the collateral.

LOAN FEES: There will be no loan fees associated with this loan.

REPAYMENT TERMS: Level principal and interest payments will be due monthly for 60 months, beginning 30 days after the note date.

PREPAYMENT: There will be no prepayment penalty associated with this loan.

SECURITY: FOR LOAN The Bank will be secured by a purchase money first position lien on the 2021 Al-Jon Series 500 Landfill Compactor being purchased with the proceeds.

TAX TREATMENT: The note is to be a “Bank Qualified Tax-Exempt Obligation”.

CONDITIONS PRECEDENT TO ADVANCE: Prior to the Bank making the advance to the Borrower, the County of Page must provide the Bank with:
A. Minutes from the Board of Supervisors stating the loan has been accepted, the loan amount, the signers, and the acknowledgement of the pledged collateral.

B. Documentation evidencing that the loan is bank qualified and tax exempt.

**DEPOSIT
ACCOUNT:**

There are no deposit requirements associated with this loan.

**REPORTING
REQUIREMENTS:**

So long as the Borrower is indebted to the Bank, the Borrower shall submit or make available to the Bank the following:

- (a) Annually, within 120 days of the end of each fiscal year, the Borrower's Annual Financial Statements.
- (b) Proof of hazard insurance coverage on the collateral for the loan listing the Bank as additional mortgage (lien) insured or payee.

EXPIRATION:

Should this term sheet not be accepted by the Borrower on or before the close of business on September 13, 2021, or such later date as agreed to in writing by the Bank, then the Bank shall have no further obligation hereunder whatsoever.

This proposed loan is to be closed within sixty (60) days of the date of acceptance of the term sheet by the Borrower and, if not closed within such time period, then the Bank shall have no further obligation hereunder whatsoever.

Sincerely,

Mark Dofflemyer
AVP, Commercial Loan Officer

The terms and conditions set forth above are accepted this _____ day of _____, 2021.

ACCEPTED:

BORROWER:

County of Page

By: _____

Title: _____

Daniel Lauro

From: Mark Dofflemyer <mdofflemyer@pioneerbks.com>
Sent: Monday, September 13, 2021 3:53 PM
To: Daniel Lauro
Subject: RE: Page County

Daniel,

As discussed on our phone conversation, Pioneer Bank is agreeable to the changes with the County of Page, specifically with the change to it being equipment lease financing, subject to appropriation. Additionally, Pioneer Bank will extend our offer sheet to October 15th.

We would like a bond counsel opinion with regards to tax exempt status.

Thanks, Daniel.

Mark Dofflemyer
AVP, Commercial Loan Officer
NMLS# 1591836
Office: (540) 778-6372
mdofflemyer@pioneerbks.com



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From: Daniel Lauro <dlauro@botkinrose.com>
Sent: Monday, September 13, 2021 3:06 PM
To: Mark Dofflemyer <mdofflemyer@pioneerbks.com>
Subject: Page County

Good afternoon, Mark.

I represent Page County as its bond counsel and they've given me a call about the landfill compactor financing.

Would you give me a call when you have a chance?

Thank you.

Daniel R. Lauro
3190 Peoples Drive
Harrisonburg, Virginia 22801
Phone: 540-437-0019
Direct: 540-437-7442
www.botkinrose.com